



5/12/04

## MESSAGES FROM THE GOVERNOR

### Michigan Transportation Commission

- The Senate confirmed the appointment of Linda Miller Atkinson [RC 275: yes, 0 no] and Vincent Brennan [RC 276: 38 yes, 0 no] to the Michigan Transportation Commission.

## MESSAGE FROM THE HOUSE

### SB 784 (Cassis)

SB 784 is the sentencing guidelines companion bill to SB 783. SB 783 would establish an anti-hazing act known as “Garret’s Law.” The bill prohibits a person attending or employed by an educational institution from engaging in or participating in the hazing of individuals.

- The Senate concurred with the House changes to SB 784 [RC 277: 38 yes, 0 no]. Immediate Effect was given to the bill.

## FINAL PASSAGE

### SB 724 (George)

SB 724 would delineate when a medical examiner must examine the body of a deceased person who has died in hospice care. Currently, the public health code requires that investigations be done in the case of death by violence, when death is unexpected, when medical attention has not been administered in the previous 48 hours or when a person dies as the result of an abortion. This bill states that, if a person dies in hospice care and has not received medical care within the previous 48 hours.

Support: MSMS, Hospice families, MI Hospice and Palliative Care Assn., MHA, Right to Life.

- SB 724 passed [RC 279: 38 yes, 0 no].

### HB 4272 (Ehardt)

HB 4272 would require that the Governor create and appoint a Commission on Patient Safety to examine means to improve patient safety and reduce medical errors in this State.

Support: DCH, MI Health and Hospital Assn., Beaumont Hospital, MI Osteopathic Assn, MI Assn. of Ambulance Services, MI Community Health Boards, MI Primary Care Assn., MI Psychological Assn., MI Home Health Assn., SEIU, MI Assn. of Homes and Services to the Aging, MI Advocacy Project, MI Nurses Association.

- HB 4272 passed with IE [RC 278: 38 yes, 0 no].

## THIRD READING

### **SB 677 (Jelinek)**

SB 677 would exempt used modular classrooms from fire and safety requirements under the School Construction Act. The substitute adopted in committee allows the Department of Labor and Economic Growth to promulgate rules regarding guidelines for the use of these classrooms.

- Committee 1 (S-3) was adopted [no RC].
- SB 677 was moved to 3<sup>rd</sup> Reading.

### **SB 722 (BRATER)**

### **SB 723 (BASHAM)**

SB 722 would increase the maximum number of employees considered as a “small business” (to receive the pollution prevention loans under SB 723) from 100 to 500 employees.

Support: DEQ, Michigan Manufacturing Association, Small Business Association of Michigan, Michigan Environmental Council.

- SB 722 was moved to 3<sup>rd</sup> Reading. No amendments.

SB 723 would require the DEQ to provide loans to small businesses to implement pollution prevention projects. For each of these loans, the money would have to be disbursed by the Department to a lending institution that had entered into a loan participation agreement with the DEQ. The maximum loan amount would increase from \$50,000 to \$150,000. Expanding the Small Business Pollution Prevention Loan Program to include larger companies and increasing the amount of money that may be borrowed from the Fund would enable more independent businesses to reduce pollution.

Support: DEQ, Michigan Manufacturing Association, Small Business Association of Michigan, Michigan Environmental Council.

- SB 723 was moved to 3<sup>rd</sup> Reading. No amendments.

### **HB 4244 (MINORE)**

HB 4244 would provide that if a retiree or deceased member of the Michigan Public School Employees Retirement System (MPERS) is a legal guardian of an unmarried child, that child would be included as a dependant for purposes of health insurance. The child would have to meet the same criteria as those currently covered under the act with regard to age or mental or physical disability.

- HB 4244 was moved to 3<sup>rd</sup> Reading. No amendments.

## **HB 5241 (Koetje)**

HB 5241 would grandfather Kent County's current hotel-motel tax. The tax is limited to counties with less than 600,000 people. Kent County currently fits that requirement, but is set to exceed it during a 30-year bond for the construction of "DeVos Place" which will be paid in 2032. The changes will grandfather any county which enacts an ordinance levying the tax (that is, the county must meet the requirement on the date it levies the tax). Kent County will exceed the 600,000 limit in approximately 2010.

- **HB 5241 was moved to 3<sup>rd</sup> Reading. No amendments.**

## **HB 5331 (Wenke)**

## **HB 5335 (Stakoe)**

## **HB 5341 (Milosch)**

## **HB 5342 (Steil)**

## **HB 5343 (Steil)**

## **HB 5345 (Farhat)**

HB 5331 would allow a qualified start-up business that meets certain criteria and does not have business income for 2 consecutive tax years to claim a single business tax credit for the second of those 2 consecutive tax years and each immediately following tax year in which the business does not have business income equal to the taxpayer's tax liability for a total of 5 years.. The bill would reduce single business tax revenue by an estimated \$1 million on an annual basis.

Support: Small Business Association of Michigan, National Federation of Independent Business.

- **Committee 1 (6 amends) was adopted [no RC]. Changes to the House bill: 1) The bill is effective with the 2005 tax year instead of 2004. 2) Limited to businesses that within the previous 7 years, is in the first 2 years of being subject to unemployment taxes. 3) Limited to businesses whose compensation to any owners is less than \$135,000. 4) Provides a recapture provision for a business that leaves the state. 5) Provides that the business be certified as meeting the criteria by the MEDC. 6) Uses business income rather than net income as a criterion.**
- **HB 5331 was moved to 3<sup>rd</sup> Reading.**

HB 5335 would exempt a new facility or rehabilitated facility owned or operated by a qualified start-up business from the neighborhood enterprise zone tax levied under the act if the local tax collecting unit adopts a resolution to exempt the facility from the collection of neighborhood enterprise zone tax. The bill would reduce State and local revenue by an indeterminate amount. The revenue loss would depend upon how many local units adopt resolutions under the bill, which local units adopt a resolution, and the properties affected.

Support: Small Business Association of Michigan, National Federation of Independent Business, Michigan Municipal League.

- **HB 5335 was moved to 3<sup>rd</sup> Reading. No amendments.**

HB 5341 would allow a qualified start-up business to exempt real and personal property from the general property tax for 5 years beginning on the December 31 in the year in which a single business tax credit is claimed under the Single Business Tax. The total property tax impact, including the impact on local governments, is \$11.7 million beginning in 2007. On average, 48% of the cost of the tax exemption will be a school aid fund cost.

Support: Small Business Association of Michigan, National Federation of Independent Business, Michigan Municipal League.

Oppose: Michigan Department of Treasury, Michigan Assessors Association.

- JACOBS 1 (1 amend) was adopted [no RC]. Clarifying language.
- HB 5341 was moved to 3<sup>rd</sup> Reading.

HB 5342 would exempt a facility owned or operated by a qualified start-up business from the specific tax levied under the act for 5 consecutive years beginning on the December 31 in the year in which a facility first claimed under the Single Business Tax Act or the Income Tax Act if the governing body of the local tax collecting unit adopts a resolution to exempt the facility from the collection of the specific tax. The exemption would not apply to special assessments or levies on bonds and school taxes.

Support: Small Business Association of Michigan, National Federation of Independent Business, Michigan Municipal League.

Oppose: Michigan Department of Treasury, Michigan Assessors Association.

- HB 5342 was moved to 3<sup>rd</sup> Reading. No amendments.

HB 5343 would allow a qualified start-up business to exempt a rehabilitated facility from the obsolete properties tax for 5 consecutive years beginning on the December 31 in the year in which the qualified start-up business first claimed a single business tax credit or an income tax credit. The bill would require the governing body of the local tax collecting unit to adopt a resolution to exempt a rehabilitated facility from the collection of the obsolete property tax.

Support: Small Business Association of Michigan, National Federation of Independent Business, Michigan Municipal League.

Oppose: Michigan Department of Treasury, Michigan Assessors Association.

- HB 5343 was moved to 3<sup>rd</sup> Reading. No amendments.

HB 5345 would allow a qualified start-up business to claim a city income tax credit each tax year equal to the taxpayer's tax liability attributable to the qualified start-up business for the 5 consecutive tax years beginning with the first tax year the qualified start-up business claims a credit under the Single Business Tax Act or the Income Tax Act. The tax credit could only be claimed if the city adopts a resolution to include the credit in its ordinance within 90 days after the effective date of the bill.

Support: Small Business Association of Michigan, National Federation of Independent Business, Michigan Municipal League.

Oppose: Michigan Department of Treasury, Michigan Assessors Association.

- HB 5345 was moved to 3<sup>rd</sup> Reading. No amendments.

**HB 5666 (Walker)**

HB 5666 was introduced for the Kingsley schools. The roof of their high school collapsed and so they are currently holding classes at several different locations. The bill specifically allows an additional 20 hours of leeway for the district to meet the instructional time requirements in law. Without this language, the school district could be subject to state aid penalties

- Committee 1 (S-1) was adopted [no RC].
- HB 5666 was moved to 3<sup>rd</sup> Reading.

## RESOLUTIONS

**SR 234 (Patterson)**

**SCR 41 (Patterson)**

SR 234 and SCR 41 memorialize the Congress of the United States to provide funding for the dredging of canals around the city of Gibraltar.

- SR 234 was adopted [no RC].
- SCR 41 was adopted [no RC].